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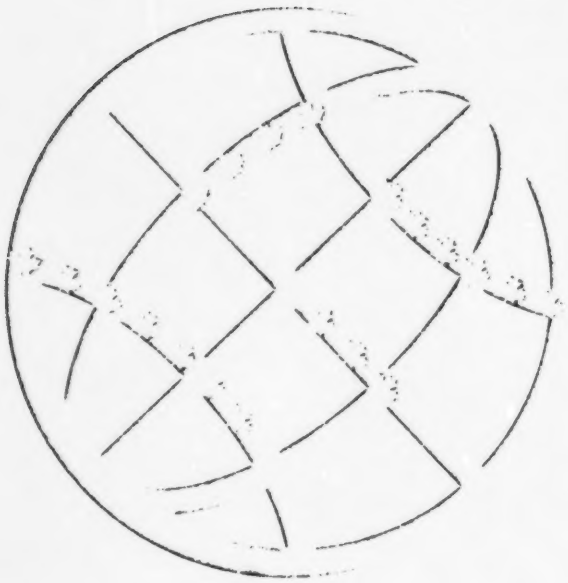
Policy Options

ALBANIA AND KOSOVO: CANADA'S INTERESTS AND POLICY OPTIONS

Robert Austin

April 1998



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Albania and Kosovo: Canada's Interests and Policy Options

Robert Austin

April 1998

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Albania and Kosovo continue to demonstrate signs of political and economic instability and potential conflict. In Albania, the situation is characterised by political intolerance among political parties, political alienation and lack of accountability, poverty and unemployment, which affects Balkan stability by strengthening nationalist positions in neighbouring countries towards their minorities or on behalf of their national minorities, creating unmanageable refugee movements, and increasing opportunities for illegal trafficking of weapons. In Kosovo, the situation is characterised by Kosovo's ambiguous political status, ethnically-based repression, lack of economic opportunity, the Milosevic factor, the threat of a spillover of the conflict into Macedonia and Albania by way of illegal trafficking of weapons, cross-border guerrilla activity and movement, and refugees, which can then undermine their fragile domestic situations.

Policy Recommendations:

Canada's interests in these two situations are based on security and human rights issues.

In Albania, political stabilisation should be pursued by improving political tolerance, enforcing the rule of law and due process, and introducing a free and independent media (means essentially focusing on the younger, next generation of leaders, new constitution, arms collection). Economic development should be encouraged by creating functioning macro-economic structures (banks, tax collection), micro-enterprise development beyond kiosks and to include agricultural industry, attracting foreign investment through legislation and regulations that protect such investment, transportation infrastructure and other improvements. Furthermore, humanitarian aid (food and medical aid on an emergency basis) should be dispersed on a national level, not just in Tirana.

With respect to Kosovo, the issue of its political status should be set aside until the situation in the region has quieted down somewhat. Ultimately, however, its status should involve some degree of autonomy within the Yugoslav federation. In the meantime, the human rights issues in Kosovo should be resolved by way of ensuring the protection of basic human rights and democratic rights of Albanians in Kosovo, coupled with on-site permanent monitoring of the human rights situation by the EU, UN Commission on Human Rights and the OSCE. It should be emphasised that the human rights of both Serbs and Albanians are be protected. The Kosovo conflict should be contained by stemming cross-border trafficking of weapons, guerrillas, and refugees by a peacekeeping force (perhaps the one in Macedonia) and by augmenting and implementing current programs of assistance for internally displaced persons in Kosovo.

Canada should use its membership in UN, NATO and the OSCE and bilateral dialogue with allies to get Kosovo's political status off the agenda and to increase attention on human rights and to support NGOs involved in these areas in Kosovo.

TABLE OF CONTENTS

Introduction

PART I. ALBANIA

Background to Instability 1

Prospects for Civil Unrest in Albania 4

1) Political intolerance
2) Political alienation of citizens
3) Poverty and unemployment
4) Availability of weapons
5) Kosovo

Albania's Instability as a Threat to Balkan Stability 6

Canada's Interests and Policy Options 7

1) Political stabilization
2) Economic development
3) Humanitarian aid

PART II. KOSOVO

History of Ethnic Conflict 10

Causes of Kosovo Conflict 12

1. Ambiguous political status of Kosovo
2. Ethnically-based repression
3. Lack of economic opportunity
4. Benefits Milosevic

Spillover from Kosovo 13

1. Macedonia
2. Albania

Canada's Interests and Policy Options 15

1. Resolution of Kosovo's political status
2. Resolution of human rights issues in Kosovo
3. Containment of Kosovo conflict

Canada's Role 18

Maps

Map of Albania 2

Map of Kosovo 11

Albanian Ethnic Population 14

Tables

Selected Economic Indicators--Albania 5

Albania and Kosovo: Canada's Interests and Policy Options

by Robert Austin

Both Albania and Kosovo are extremely unstable at the moment. For Albania, stability in the long-term is a realistic possibility, but the prospects for stability in Kosovo in the foreseeable future are far less promising. Instability in either country directly affects the broader Balkan region. Along with its security concerns, Canada also has humanitarian and human rights interests in Albania and Kosovo.

As has become clear during this century, the interests of the Albanian nation and of the Albanian state rarely coincide. Therefore, the two cases will be dealt with separately in this paper.

PART I. ALBANIA

Background to Instability

Albania proclaimed independence in 1912 from the Ottoman Empire. During the ensuing three decades, Albania made limited progress economically and politically. By 1925, Albania had fallen into a stagnant form of authoritarianism. When the Communist Party took control of Albania in 1944, it executed or imprisoned all voices of opposition. Two years later, the Communist Party introduced a Stalinist-style centrally-planned economy, nationalizing all industries, confiscating and redistributing land, and banned private property. In 1978, Albania's long time leader, Enver Hoxha, embraced autarky.

On the eve of transition in 1990, Albania's economy was highly centralized and technologically backward with an abnormal concentration of heavy industry. Between 1989 and 1992 GDP dropped fifty percent due to a chain reaction of supply shortfalls that paralyzed the entire economy. Desperately needed food aid was being delivered by the international community. There was no political opposition, no independent organizations and a judicial system typical of communist societies.

Albania was the last Communist country in Eastern Europe to embark on a path of economic and democratizing reform. Deteriorating economic circumstances coupled with massive student demonstrations in December 1990 forced the Communist government to allow the creation of opposition political parties. Albania had it first multi-party elections in March 1991. These were relatively free, but not entirely fair. The Albanian Communist Party (Party of Labour), headed by Fatos Nano, won easily. But the economic catastrophe posed severe challenges to the new government and the newly formed independent trade unions went on strike. The country was at a virtual standstill. Thousands of refugees fled to Italy and Greece. Albania's emboldened opposition forces forced new elections in 1992. The Democratic Party, led by Sali Berisha, won a resounding victory with 62% of the vote.

Map of Albania

Source:www.albania.com/main/countries

Under Berisha's leadership the country vigorously headed towards a market economy between 1992 and 1996. Berisha legalized private ownership, privatized state-owned property and broke up the collective farm system. For four consecutive years, Albania's GDP grew between 7 and 11 percent annually. Albania successfully reintegrated into the world community becoming a member of the Council of Europe, the OSCE and NATO's Partnership for Peace program.

Berisha was far less successful, however, in consolidating democracy, building a civil and tolerant society and instituting rule of law. Under President Berisha, Albania's government remained highly intolerant of opposition. Its political program focussed primarily on destroying the Socialist Party (the Communist Party changed its name to the Socialist Party in June 1991) using illegal means. The post-communist leaders smoothly continued their predecessors' pattern of jailing political foes. The deeply politicized courts convicted Socialist Party leader Nano in 1994.

In 1996 the country went to the polls again. The Democratic Party engaged in wide scale electoral fraud to ensure its victory. Even though the Democratic Party probably would have won these elections honestly, it did not want to risk losing. It feared that in opposition it would be subjected to the very same policy of retribution that it had meted out to the Socialist Party. Following the 1996 elections political power became concentrated in the President Berisha's hands and Western support for the government dissipated. International human rights organizations noted widespread human rights abuses; there were restrictions on the press and other media; and massive political interference in the judiciary continued. Deep polarization between the country's two leading parties and elite political in-fighting in Tirana left the Albanian people isolated from the country's political process.

The collapse of pyramid schemes brought Albania's political and economic systems to collapse in early 1997. They first appeared in 1993 and began to show their weakness in the fall of 1996. However, neither the government, the media nor the IMF warned the Albanian people of the dangers of investing in them. Each of the main political parties actually had its own pyramid scheme. The press stuck to its party base and was unable to assess independently the impact of the schemes. By 1996, 80% of the population had invested a total of $500 million dollars--50% of GDP--in them. Many people had invested everything they had and initially lived off the interest which was as high as 50% per month. When the pyramids collapsed in January and February 1997, more than half a million Albanians lost their savings and their sole source of income.

President Berisha seemed unable to react to the sudden economic crisis in the country and the intense polarization between the two main parties prevented them from working out an emergency plan. With no answer from Tirana as to how they would get their money back, citizens resorted to violence to provoke a response.

First in the coastal city of Vlore, then in other communities, citizens looted weapons depots while the country's army and other internal security forces disintegrated. The subsequent level of destruction was staggering. Protesters burned government offices all across the south. Citizens destroyed everything: schools, libraries, historic monuments--nothing was left untouched.

Many Albanians blamed President Berisha for the country's upheaval believing that he either benefitted personally from the pyramid schemes or should have warned the people of their dangers. The severity of the economic crisis destroyed President Berisha's government. Fearing a worsening of the Albanian instability, the international community forced new elections in June 1997. Fatos Nano who had been recently freed from jail won these elections. Nano and his Socialist Party remain in power today.

Prospects for Civil Unrest in Albania

Albania has not completely emerged from the political and economic crisis of 1997. Although pyramid schemes have been outlawed in Albania, the political intolerance, citizen alienation from government and economic depression that contributed to the country's breakdown last year have not been resolved. Two new factors exist today which additionally threaten Albania's stability: an armed population and the conflict in neighboring Kosovo. A second episode of civil unrest remains a real possibly.

1. Political intolerance

The underlying cause of political instability in Albania is a total lack of political tolerance in the country. Albania's twentieth century history is defined by a cycle of political vengeance. Over the past five years the two main political parties have engaged in backward-looking arguments and spent little time devising a realistic program for Albania's future. The Democratic Party intensified the political polarization by focusing on destroying the Socialist Party through illegal means, including jailing party leader Fatos Nano in 1994. While in power the Democratic Party waged an aggressive campaign against the unfriendly media. The pattern of political intolerance and retribution persists today, albeit not with the severity of the previous government. The Socialist Party and Prime Minister Nano have purged all facets of government service, filling vacant positions with political allies. This creates a hostile opposition more eager to right alleged wrongs than to cooperate in the governance of the country.

2. Political Alienation

The political battles between the Socialist Party and Democratic Party have involved only party elites and militants. In this atmosphere Albanians lost their ability to vent grievances through legitimate means, including political institutions, responsive political parties, a fair electoral process, a free media and a vibrant civil society. The vast majority of Albanians have withdrawn from the political sphere in the face of a political elite that did not address the pressing economic problems of the people. The level of the widespread vandalism that accompanied last year's breakdown is a reflection of this lack of connection between the Albanian people and the state. If the government continues to spend more time addressing past wrongs than finding solutions to the country's pressing problems, citizens will remain alienated from the government and have no stake in political stability.

3. Poverty and Unemployment

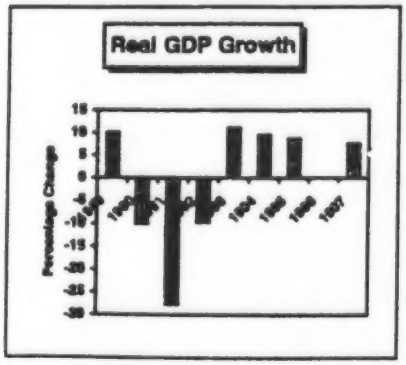
Poverty and a weak economy contribute significantly to the Albania's overall instability. Albania has long been Europe's poorest country. Albanians invested in the pyramid schemes because the banking system was inadequate and there were simply no other economic opportunities. The collapse of the pyramid schemes last year decimated the economy.

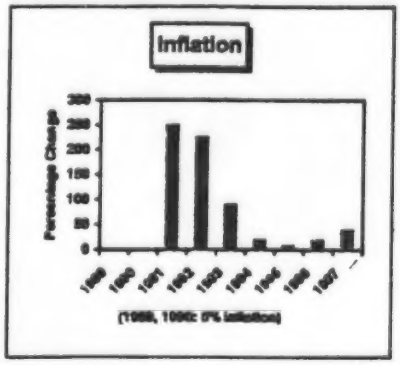
The current state of Albania's economy is bleak: unemployment is estimated at 30%, and is especially high among Albania's youth; the newly created private farms lack capital; key industrial sectors are closed due to a lack of capital for modernization; the government can't collect taxes; inflation was 42 per cent in 1997; and there is a huge trade imbalance. Albania's economy is utterly dependent on cash sent home by the 500,000 or so Albanians working abroad, mostly in Greece.

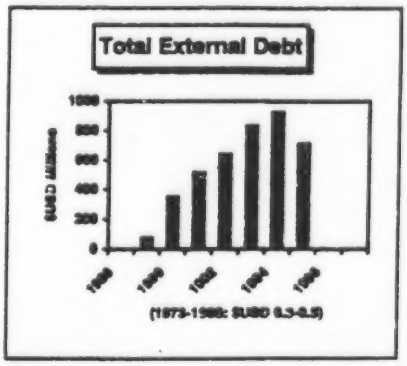
The Albanian economy is not yet capable of providing sufficient opportunity to give Albanians a stake in their country's stability. Albania has the makings of a prosperous state, as it is rich in minerals and oil (the central Albanian oil field is reputed to be one of the largest onshore reserves in Europe), can be self-sufficient in food production, and possesses some of the world's unique tourist sites. Unfortunately, prospects for economic reform and growth in the near term are not good.

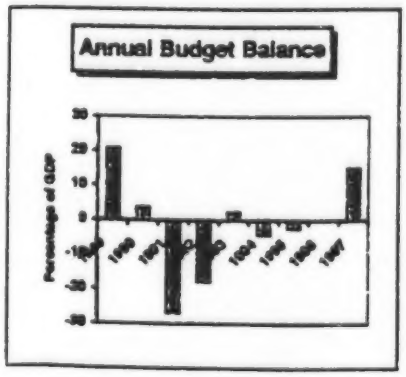
SELECTED ECONOMIC INDICATORS

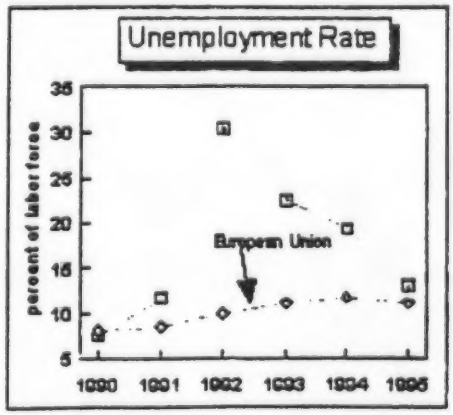
Source: IMF, World Bank

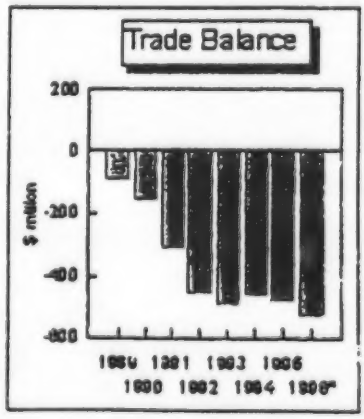












*projections
Source: EBRD, IMF, World Bank (www.info.usaid.gov/countries/al/albsecd.htm)

4. Availability of Weapons

There is well over half a million arms still unaccounted for in Albania after last year's looting of military weapons depots, making it difficult for the government to exert control over the entire country and contain gang violence. Incidences involving the gun warfare, rival gangs and illegal weapons erupted throughout 1997. Tirana has been plagued by bomb attacks; and as recently as September 1997, a bomb blast cut off the capital's water supply. February's seizure of the northern city of Shkoder by armed men is a clear indication of the ability of the widespread availability of arms to shake Albania's precarious security and stability.

5. Kosovo

The Albanian government will not willingly get entangled in the Kosovo crisis due to its political and economic problems at home and Albania's relative military weakness vis a vis Serbia. However, it might not be able to keep crisis from spilling over the border. As will be discussed in more detail below in Part II, the armed conflict and ethnic strife in Kosovo are a destabilizing force on Albania's government and economy. The Kosovo conflict strengthens the position of previously marginalized Albanian politicians who advocate non-political means to solve the Kosovo problem and gives Albanians incentive not to turn in the remaining military weapons that the government is trying to collect. A mass influx of refugees from Kosovo would easily undermine the already difficult process of economic recovery.

Albania's Instability as a Threat to Balkan Stability

The impact of Albania's internal instability on Balkan stability became abundantly clear in the wake of last year's breakdown of the state and accompanying civil unrest and armed rioting. There are three main mechanisms through which Albania's internal events affect broader Balkan stability.

Albanian instability strengthens the nationalist position in neighbouring countries. In direct response to unrest in Albania last year, neighboring Macedonia became more bellicose in dealing with its sizable Albanian minority; Greece initiated a more aggressive campaign on behalf of the 50,000 or so Greeks who live in southern Albania, and the Serbs in Kosovo cracked down on the Kosovar Albanian population.

Instability and unrest in Albania create refugees who flee first in large numbers to Greece and Italy and then beyond to Europe. Numbers vary, but according to UN High Commissioner for Refugees, by 18 March 1997, 7000 Albanian refugees had already flooded into Italy and 3,500 more into Greece. Italy estimates that it received up to 17,000 refugees from Albania last spring and that the whereabouts of about 7000 of them is unknown.

Finally, the lack of government control in Albania undermines efforts to round up illegal weapons within Albania and allow for them to be easy smuggled across borders. Some of these arms are doubtless now in the hands of the Kosovo Liberation Army and have crossed into Macedonia where ethnic tensions and violent clashes between ethnic Albanian and Macedonians have been on the rise over the past year.

Canada's Interests and Policy Options

Canada has security, humanitarian and human rights interests in Albania. To avoid upsetting the already delicate balance in the Balkans, Albania's government and economy need to be stabilized.

1. Political Stabilization

Political stabilization includes improving political tolerance, enforcing the rule of law and due process, and introducing an independent media to Albania.

a) Intra-party dialogue. Albania's future stability and consolidation of democracy depend on bridging the gap between the two main political parties. The current leadership of the major political parties is probably too entrenched in their attitudes to embark on a new path of political tolerance, dialogue and loyal opposition. Fortunately, there is a younger generation of leaders who are more open to discussion. Dialogue between political opponents of this generation is needed now before they fall victim to entrenched positions.

Canada, as a neutral country that is highly respected by Albanians, is in an excellent position to facilitate dialogue, by sponsoring a programme in which small groups of young leaders learn how to speak with one another and discuss how to put national interests to the fore. This programme would take place in Canada as the conditions within Albania now are not conducive to re-working relations between political opponents.

b) Independent, fact-based media. Political intolerance, the main feature of Albanian political life, can be mitigated by a strengthening of independent media, especially television. The Canadian government could help this process by sponsoring a programme to provide teach basic reporting to young, enthusiastic Albanian journalists at Canadian institutes of higher education.

c) Constitution. A new constitution might help make Albanians feel that they are part of the political system and that there are legitimate ways to participate. The current Constitution was written in 1976 under Communism. The new constitution would need to delineate clearly the powers of the executive and legislature, ensure the independence of the judiciary and provide Albanians security from arbitrary power. Public discussion about the contents of the Constitution during its development stage could serve to draw the Albanian people back into the political sphere in a positive way. As a country where the politics of compromise are commonplace, Canada has unique experience to advise Albania on writing a Constitution.

d) Rule of law and human rights. In the past, arbitrary use of force by police against citizens has been an ongoing and serious problem. Between 1992 and 1997 Berisha's government was widely condemned by international human rights agencies, including Helsinki Watch, Amnesty International, and Journalists Without Borders, for routine human rights violations. Because human rights abuses have tended to be perpetrated by the police against government opponents, improving respect for human rights would promote stability in Albania. Keen to restore international confidence in Albania after last year's breakdown, the current Socialist Party government is working to adhere to internationally accepted standards in human rights and consequently, the human rights situation in Albania has improved markedly in the last 9 months.

Continued international monitoring will help keep Albania on the right track. The development of an independent media in Albania would act as a deterrent against future human rights abuses, especially by government authorities.

e) Arms collection. In August 1997, the Albanian government instituted a six-week amnesty for people in possession of illegal weapons. At the end of the amnesty period on 30 September 1997, between 600,000 and 800,000 weapons remained in civilian hands. Albania needs international assistance to help collect these weapons.

2. Economic Development

Poverty and unemployment are major contributors to Albania's internal instability. But economic development is also critical for alleviating poverty, raising the baseline standard of living of the average citizen, and precluding the need for the food aid from the international community in the future.

a) Macro-economic structures. In the immediate future, Albania needs a banking system, taxation system, and macroeconomic stability. Since the pyramid schemes were partly the result of an inadequate banking system, the creation of a responsive system would help alleviate the need for get-rich-quick schemes. The international community has responded promptly to address this need. The IMF and the Albanian government have agreed to a three-year macroeconomic stabilization package. The government has committed itself to reducing the budget deficit and inflation and to dealing with the financial legacy of the pyramid schemes.

b) Micro-enterprise. Until now, the capitalist revival in Albania has been focussed almost exclusively on "kioskism," that is, small private businesses. The Albanian embrace of small-scale capitalism has been unprecedented in the former Communist bloc and while helpful in the short-run, it will hardly provide the basis for long term economic stabilization.

Albania needs international assistance programs focussed on micro-enterprise development to provide a foundation for economic growth. Training and education programs are needed to help farmers turn small plots of arable land into profitable small agricultural businesses. The establishment of an agricultural bank of credit would go a long way towards revitalizing what is Albania's most important sector.

c) *Foreign investment.* Albania's industrial sector is outdated and needs to be rebuilt from scratch. To a large extent, stabilization of Albania's economy depends on attracting substantial foreign investment to revitalize the key sectors of oil extraction and chromium mining. This will be costly in the short- to mid-term and attracting foreign capital will be a problem. In practical terms, the first step towards attracting foreign investment is the legislation of a supportive body of law and regulations to ease and protect foreign investment and to resolve outstanding land ownership questions.

d) *Infrastructure.* Before foreign investment can become a serious possibility, Albania's infrastructure needs to be significantly improved, especially the basic transportation network. The World Bank, the EBRD, and the G-24 have already provided over US $2 billion in grants for

infrastructure improvements. The infrastructure projects will not come to fruition for a number of years, but in the meantime they benefit the economy by providing substantial employment.

3. Humanitarian Aid

From a humanitarian perspective, Canada also has interests in Albania. In 1991, 1992 and again last year, the international community had to provide Albania with food aid and basic medical care on an emergency basis.

a) Food aid. The collapse of the collective farms in 1991 and 1992 left Albania without adequate food supplies. Last year, Albania's transportation system collapsed as armed groups controlled the roads. The UN World Food Service organized food aid for the 150,000 families in need; delivery of the food was protect by an Italian-led force (under the authorization of the United Nations). Italy and Greece, which have the most to lose from Albania's instability, provided the bulk of the food aid.

Over the past decade, international aid to Albania has focused on emergency situations and not necessarily taken a long term perspective to resolving the underlying causes of humanitarian crises. While the food situation has improved, Albania still needs an adequately functioning system of food production and delivery:

b) Regional disparity. International assistance to Albania has generally been focussed on the capital, Tirana, with the hinterlands receiving scant attention. Albania's major problems are in the north and relatively little assistance is directed there. As a result, many of people from the north have moved to Tirana putting huge strains on its already dilapidated infrastructure. A concerted effort is required to provide economic and humanitarian assistance to the regions, particularly to the poor and troubled northeast region.

PART II. KOSOVO

Kosovo is a province of Serbia, the largest and most powerful of Yugoslavia's two remaining republics, and is about twice the size of PEI. This landlocked, mountainous territory has sufficient minerals and other natural resources to make it a valued prize in an otherwise impoverished region. By the turn of the century, Albanians were already a majority in Kosovo and in the aftermath of the Second World War, their numerical superiority grew steadily due to a high birth rate, lower infant mortality and the out-migration of Serbs. Today, there are about 2.2 million Kosovars, of whom about ninety percent are ethnic Albanians, eight percent Serbian, and the remainder primarily Montenegrin.

History of Ethnic Conflict

While Albania's implosion took many by surprise, Kosovo's relative calm until last month has also been surprising.

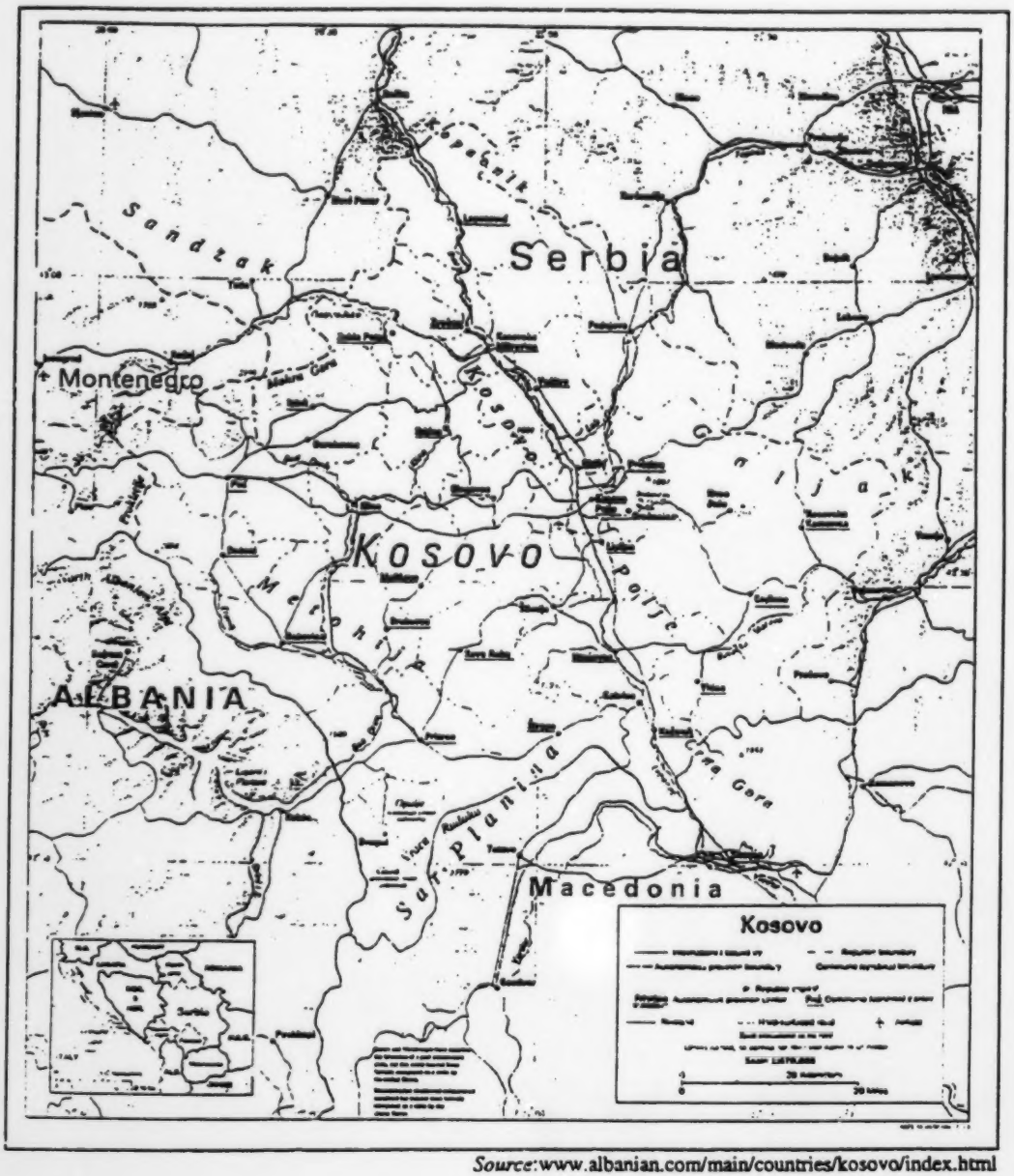
Between 1389 and 1912 the Kosovo territory was under direct rule of the Ottoman Empire. In 1912, when Albania declared independence, Kosovo became part of Serbia during the First Balkan War despite Albanian protestations and between WWI and WWII it was part of the newly created Kingdom of Serbs, Croats and Slovenes (re-named Yugoslavia in 1928). In 1945, Tito and the Communists founded a federal Yugoslavia in which Serbia was one of six republics and the Kosovo territory was simply a region of Serbia.

Throughout the communist period, the Albanians in Kosovo sought equality with the other nations of federal Yugoslavia. Equality, in terms of granting the Albanians a republic, also would have included the right to secede--a concession no Yugoslav leader was willing to permit. For two decades, Serbia held a tight grip over Kosovo, but then in 1966, Yugoslavia granted Kosovo self-rule within Serbia. This did not satisfy the Albanians as the Yugoslav government continued to strictly control all expressions of Albanian nationalism. Mass student demonstrations in 1968 were quickly and brutally repressed. In 1974, a new Yugoslav constitution granted Kosovo the status of an "autonomous province"--a constituent part of Yugoslavia and a de facto republic. Nonetheless, Albanians continued to demand their own republic within Yugoslavia. Albanian university student protests in early 1981 were severely crushed and led to bloody riots throughout Kosovo.

In 1989, Slobodan Milosevic became president of Serbia. He shaped his entire political agenda around undoing the legacies of the 1974 constitution and implemented harsh policies designed to eliminate public evidence of the Albanian nation and to reestablish Serb authority and national presence in Kosovo.

In July 1990, the Serb government formally revoked Kosovo's status as an autonomous province and dissolved Kosovo's government. The Serbs instituted an apartheid-like system to control the majority Albanian population: it abolished Kosovo's Albanian political, educational and cultural institutions. The new Serbian language only policy in the schools and universities resulted in a mass exodus of children from the official school system. A new quota system at the University of Pristina guaranteed a disproportionately high number of places for Serb and Montenegrin students.

Map of Kosovo



Source:www.albanian.com/main/countries/kosovo/index.html

The reassertion of Serb nationhood and authority in Kosovo was accompanied by widespread human rights violations. The 55,000 strong Serb police force was employed to eliminate any perceived expression of Albanian nationalism. Between 1981 and 1991, about 60,000 Serbs and Montenegrins fled the ethnic turmoil in Kosovo.

The Albanian Kosovars responded to the loss of their institutions by building a parallel society within Kosovo completely outside Serbian jurisdiction. In 1991, Kosovo leaders declared the region a sovereign and independent state. The decision was overwhelmingly approved in a referendum. The following year, Kosovo Albanians elected a shadow parliament and president that created parallel state systems and structures for taxation, health, education and elections by Albanians and for Albanians.

Under the political and moral leadership of Ibrahim Rugova, President of Kosovo's shadow government, Albanians employed a strategy of passive resistance to achieve their objectives. But over the course of five years this strategy did not result in any substantive steps forward towards greater autonomy or diminished repression. Rugova began to lose ground to more militant voices, when the 1996 Dayton peace accords failed to include a settlement on Kosovo. Admitting that passive resistance had failed, in November 1997 the Kosovo shadow government leaders called for active resistance through peaceful civil disobedience.

In 1996, a Kosovo Liberation Army (KLA) emerged with separatist ambitions and terrorist tactics, attacking Serbian authorities, in particular the police force. It has one demand--the complete independence of Kosovo. Very little is known about the KLA. It is unclear how many members it has and whether it is well-organized or just ad hoc bands of guerrillas.

In late 1997, KLA attacks and Serb police brutality escalated; the situation became increasingly out of control in 1998. Serbia moved armoured units and Interior Ministry troops to the perimeter of the province. On March 2, a clash between ethnic Albanians and paramilitary Serbian troops in a small village left more than 20 dead. Tens of thousands of ethnic Albanians rallied in Pristina in peaceful protest. Then on March 10, about 1,000 heavily armed Serb police and special armed forces launched a three-day assault on the village of Donji Prekaz, leaving at least 45 dead. This time between 60,000 and 100,000 people gathered in Pristina, a city of 200,000, to demonstrate against the violence.

Over the past month, Serbian police have fortified their positions in the central region. On 7 April there were reports that the Yugoslav military had mobilized near the Albanian border. The New York Times reported that the KLA is gaining followers rapidly as a result of the scale and brutality of Serb attacks, receiving an infusion of new troops and weapons from Albania.

Causes of the Kosovo Conflict

Three key factors have contributed significantly to the decades of instability and ethnic conflict in Kosovo. First, the political status of Kosovo is ambiguous. Both the Serb and Albanian nations have reasonable political claims to the territory. Serbia has a strong historical right to the land on the grounds that Kosovo has been an integral part of Serbia since the end of Ottoman

rule in Kosovo in 1912. Moreover, Kosovo is the cradle of Serb nationhood. Serbs view Kosovo as an integral part of Serbia and the Albanians there not as a majority in Kosovo, but as a minority within Serbia.

Kosovar Albanians claim the right of national self-determination by virtue of their majority status within the region. In an unfortunate twist of historical fate, Kosovo is not only the birthplace of Serb nationhood, but also birthplace of the Albanian national awakening in the 19th century. Kosovar Albanians have always believed that they deserve equality with the other nations of federal Yugoslavia, which, in political terms, has meant having their own republic.

A second factor underlying decades of ethnic conflict in Kosovo is the persistent repression of ethnic Albanians by Serb authorities. The Albanian demand for greater autonomy or independence has risen and fallen in step with the increase and decrease in violations of their basic human and political rights. The mass killings by Serb forces in March 1998 has eroded the Albanian people's willingness to trust any political settlement within Serbia, and garnered support for the militants who call for full independence and employ terrorist tactics.

The absence of economic opportunity the third main factor contributing to instability in Kosovo. Unemployment among Albanians is as high as 80 to 90 percent. Unemployment of the educated youth is a particularly troublesome problem. (Thirty percent of the population are students.) Even without Serb repression or ethnic conflict, this region would be ripe for upheaval.

It should be noted that the sudden escalation of violence in March may not be solely attributable to Serbia's need to eliminate the KLA's terrorist activities. Yugoslav President Milosevic may also want the conflict in order to divert his public's attention away from the collapsing Yugoslav economy and growing discontent in Montenegro. A crackdown against Albanians in Kosovo unites Serbs. Milosevic is skilled at manipulating Serb nationalist feelings to serve his agenda.

Spillover from Kosovo

Macedonia and Albania are politically and economically vulnerable to spillover effects from the Kosovo crisis. Both countries are being drawn into the conflict through the cross-border transit of weapons, guerrillas and refugees.

Macedonia. Macedonia already has a huge and restive Albanian minority numbering between 20 and 40 percent of its population of two million. Albanians form a majority in Western Macedonia which borders both Albania and Kosovo. Although the Albanians are better off in Macedonia than in Kosovo, many problems remain unresolved, especially regarding the status of the Albanian minority within Macedonia's constitutional framework. Albanians in Macedonia have limited rights in terms of using their own language and national symbols and there are recurring charges of ethnic discrimination by the Macedonian government. Albanian political parties in Macedonia are seeking greater political and national rights for the Albanian minority.

Since the fall of 1997 tensions between ethnic Albanians and Macedonians have risen with several incidents of violent clashes between Albanians and police. In September the Albanian

mayor of Gostivar, where Albanians make up 75% of the population, was convicted of spreading ethnic intolerance because he allowed the Albanian flag to fly above city hall. In reaction to the massacre in the Kosovo village of Donji Prekaz on 10 March 1998, tens of thousands of Albanians rallied in Albanian-populated towns in Macedonia in solidarity with Kosovar Albanians and in opposition to Serbia. The demonstrators waved Albanian flags and sang the Albanian national anthem.

An influx of Albanian refugees from Kosovo would not only heighten political tensions in Macedonia, but also cripple the struggling economy. Also, the Kosovo conflict is likely to bring a flow of arms into Macedonia either from Albania on their way to Kosovo or from Kosovo into the hands of Kosovars guerrillas and their supporters based in Macedonia.

If Kosovar rebels cross into Macedonia and use it as a base from which to attack inside Kosovo, Yugoslavia might choose to intervene directly in Macedonia.

Albania's Ethnic Population

Source:www.rec.org/REC/Publications/Country

Albania. As with Macedonia, the conflict in Kosovo threatens Albania's security and its political and economic stability. The armed conflict in Kosovo undermines efforts in Albania to collect the weapons held by civilians. Albanians have new monetary and nationalist incentives for holding on to the weapons looted in 1997 in order to sell them to Albanian "liberation fighters" in Kosovo. The Kosovo civil conflict is already being brought into Albania not only by increased cross-border gun smuggling, but also by the transit of guerrillas. The *New York Times* recently reported that the Kosovo Liberation Army is benefitting from an infusion of new troops from Albania.

As with Macedonia, if the cross-border smuggling of arms and rebels continues or if the Kosovar guerrillas use the Albanian soil to stage attacks within Kosovo, Yugoslavia may feel compelled to intervene directly in Albania. There are already reports of the Yugoslav military and police forces massing near the Albanian border and that Yugoslav helicopters have flown near the Albanian borders.

The unrest in Kosovo directly affects Albania's democratization process. Until now, the hard-core nationalists in Tirana who call for the unification of Albanian lands have been marginalised and Tirana's policy has been one of restraint. Continued repression in Kosovo will bring to the foreground Albanian politicians seeking to solve the problem by non-political means. Moreover, as in Serbia, Albanian leaders might use the Kosovo conflict to deflect attention away from thorny domestic problems.

A mass influx of refugees into Albania will strain the already difficult process of recovery from last year's complete economic breakdown. Increased economic difficulties, in turn, will put additional pressure on the Albanian government and political system.

Canada's Interests and Policy Options

Canada has security, human rights and humanitarian interests in the Kosovo situation. Regional spillover from the upheaval in Kosovo threatens to undermine our enormous investments in Balkan stability, particularly in Bosnia, over the past few years. Political and human rights of ethnic Albanians living in Kosovo are being systematically violated by the Serb police and by an apartheid-like system. Additionally, as the conflict draws on, there will be increasing numbers of refugees and internally displaced persons requiring food, shelter and medical care.

1. Resolution of Kosovo's Political Status

Today, nearly all parties in the Balkan region and international community are treating the Kosovo conflict as a question of political status: Should Kosovo remain a region of the Serbian Republic within Yugoslavia, regain its status as an autonomous province within Serbia, become a republic within Yugoslavia, or achieve independence as its own state?

The international community is virtually unanimous in its support for greater autonomy for Kosovo within the Yugoslav federation, while categorically opposing independence. This is the view of the European Union, the United Nations Security Council and the six-nation Contact Group, comprising the United States, Russia, Britain, France, Germany and Italy. The United States, both unilaterally and as a member of the Contact Group, is the strongest advocate of pushing Yugoslav President Milosevic and Kosovar Albanian leaders into negotiations to find a political resolution to the Kosovo issue. As U.S. Secretary of State Madeleine Albright said with reference to the Contact Group's imposition of new sanctions on Yugoslavia: "The purpose of these measures should not be to return Kosovo to the status quo of last month or last year...Belgrade must enter into a real dialogue on an enhanced status for Kosovo."

While the international community is virtually unified in pressing for greater autonomy for Kosovo within federal Yugoslavia, such an option is absolutely unacceptable today to the two involved parties--the Serbs and the Kosovar Albanians. Milosevic wants to restore Serb control within Kosovo and today, most certainly will not meet the demands of Albanian terrorists. Milosevic's Kosovo policies have the full support of the Serb people who get their news from government-controlled, anti-Albanian media. As mentioned earlier, Milosevic may *want* the conflict to divert Serbians' attention away from growing economic problems.

The Albanians in Kosovo are highly unlikely to accept any solution that leaves them under the control of Serbs, either in Serbia or Yugoslavia. The options of enhanced autonomy and republic status might have been acceptable a few years ago, but are no longer in the wake of increased violence. Even a pacifist like Rugova no longer sees a solution as falling within Serbian or Yugoslav jurisdiction. Even if the international community could pressure the Albanian leaders into backing down, it is not clear that the Albanian militants could be made to abide by such a decision or to cease terrorist activities undertaken in the name of independence.

Can the international community bring the parties to the negotiating table and force an enduring political solution? The international community may be able to entice the Albanian leaders to settle for autonomy by promising to become more involved in Kosovo, helping develop the economy, and closely monitoring human rights and Kosovo's elections.

Barring military intervention, the international community has two reasonable options for "encouraging" Milosevic to restore Kosovo's autonomy: promises of expanded trade links and threat of new sanctions. The West in general, and the United States in particular, have no appetite for offering Milosevic rewards for negotiating a political settlement. The Americans historically have vigorously rejected such options, arguing that they in essence reward aggression.

The focus, then, is on new sanctions against Yugoslavia. This is an ill-advised policy. Sanctions could very well exacerbate the Kosovo ethnic conflict, rather than resolve or alleviate it. Milosevic benefits politically from the sanctions. The Serb people have suffered greatly under sanctions for five years now and lay the blame for their hardships squarely on the West. The mere threat of new sanctions enhances public support for Milosevic, hardening his position and allowing him greater latitude in action.

The issue of Kosovo's political status cannot be resolve today or in the near future. The positions of the two sides are diametrically opposed and unyielding. In insisting upon a political solution and greater autonomy for Kosovo, the United States and international community are, at best, wasting their time and resources, at worst, exacerbating an already explosive situation and, possibly, neglecting consideration of feasible moderating options.

It may be wise to set aside the question of Kosovo's political status for the moment. This strategy would provide time for passions to cool and progress to be made incrementally on a variety of less contentious issues, thereby opening up the possibility of a future settlement where one does not exist today. This is the strategy that Alexander Lebed successfully employed in 1996 to end the bitter war in Chechnya.

2. Resolution of Human Rights Issues in Kosovo

The Kosovo crisis is first and foremost a human rights problem. Had basic human rights and democratic rights been observed in Kosovo, it is highly unlikely that the Albanian desire for Kosovo independence or greater autonomy would have erupted into violent terrorist attacks. If Serbia continues its policy of repression and brutality towards the Kosovar Albanians, more and more Albanians will demand independence and support violence as a necessary means for national and self-preservation. Conversely, if the political and human rights of Albanians are respected, support for KLA demands and tactics will diminish. Before any progress can be made in resolving Kosovo's political status, the basic human rights and democratic rights of the Albanian community must be ensured.

Albanians and Serbs may be able to find common ground in guaranteeing the rights of all citizens in Kosovo. If terrorist attacks against Kosovar Serbs and police by the KLA stopped and the KLA were disarmed, Milosevic could claim victory in the eyes of his constituents. Ibrahim

Rugova, president of the Kosovo shadow government and well-respected pacifist, could very well support an end to Serb brutality and a restoration of civil rights and Albanian educational and cultural institutions as existed prior to 1989 without insisting upon a formal change in Kosovo 's political status.

What specifically can the international community do to improve respect for human rights and democratic rights in Kosovo? As a first step, the situation needs to be monitored by impartial bodies such as the European Union and UN Commission on Human Rights, both of which have expressed an interest in establishing offices in Pristina. An increased field presence by the Organization for Security and Cooperation in Europe would also be welcome. As well as monitoring the human and political rights situation, these international bodies could monitor the implementation of any new agreements, including the recently signed education accord.

The United Nations is establishing a war crimes tribunal to investigate whether war crimes were committed by Serbs in the March mass killings. The United States has contributed more than one million dollars for the tribunal. While this effort is important given the atrocities committed, it should not become a focal point or centre piece of Western reaction to the Kosovo conflict. A war crimes tribunal may serve justice and mete out punishment, but it will not end Kosovo's long-standing human rights problems. In fact, the war crimes tribunal could be inflammatory, giving Albanians additional basis for hating and distrusting the Serbs and providing Milosevic with more "evidence" of discrimination by the international community.

The international community should undertake the monitoring and protection of human rights in Kosovo in such a way as to emphasize that both Serbs and Albanians will be protected and with the intent of getting formal agreements on issues of human rights between the Albanian leaders and Milosevic. The international bodies should be clear that they are there to protect the political and human rights of all citizens of Kosovo regardless of ethnicity. Progress may be made incrementally on a variety of mutually beneficial human rights issues that develop a pattern of cooperation and agreement.

3. Containment of Kosovo Conflict

To contain the Kosovo conflict, the primary task is to stem the cross-border flows of weapons, guerrillas and refugees. Neither Albania nor Macedonia has the resources to do this themselves. An international peacekeeping force is required with the authority to detain persons and to confiscate illegal weapons. In March 1998, the OSCE stepped up its presence along Kosovo's borders with Albania and Macedonia, but the OSCE's mandate is limited to monitoring and reporting violations.

The danger of the Kosovo conflict spilling beyond its borders could be significantly reduced if the United Nations "Prevention Diplomacy" force that is already in Macedonia were strengthened and a similar United Nations peacekeeping mission were created for the Albania-Kosovo border. These UN troops need to have the right to turn back refugees and individuals with weapons and/or the right to confiscate weapons.

If the international community takes action to prevent refugees from fleeing Kosovo, then, for humanitarian reasons, it should implement a complementary program for ensuring the basic needs of internally displaced persons (IDPs) within Kosovo, of whom there are an estimated 24,000 at this time. There are a number of international organizations already working with IDPs in Kosovo whose knowledge and skills could easily be augmented.

As well as preventing the cross-border transit of arms within the region, it is wise to prevent an infusion of new weaponry into the region. The UN Security Council has implemented an arms embargo on the FRY and on 31 March, the European Union enacted its own arms embargo. In so far as these efforts have been characterized as sanctions against Yugoslavia to pressure it into political negotiations with Kosovo, they may prove counter-productive. If instead these efforts are characterized as measures to protect both Serbs and Albanians, their counter-productive potential may be neutralized.

Canada's Role

Through international institutions, such as the United Nations, NATO, OSCE, and in bilateral talks, Canada can work to get the issue of Kosovo's political status off the table for the time being and to focus attention more squarely on: 1) improving respect for human rights; 2) improving Albanians' political rights in Kosovo; and 3) preventing Macedonia and Albania from becoming embroiled in the Kosovo conflict. Canada should continue to strongly endorse de facto improvements in Albanian educational, cultural and language rights with the future objective of reaching formal de jure agreements.

One mechanism for action is the provision of material and financial support of those non-governmental organizations (NGOs) already active in human rights, humanitarian, IDP and economic development activities in Kosovo. Once the fighting subsides in Kosovo, Canada could begin to support the economic development programs that are so desperately needed to alleviate mass unemployment.